IN REPLY
REFER TO J-33

PROCLTR 06- 05

APR 10 2006

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Distribution Planning and Management System (DPMS) Pilot (Defense Logistics Acquisition Directive (DLAD) 5025.30, Section 47.305-8, Provision 52.247-9011 and PGI 47.305-8)

The purpose of this PROCLTR is to introduce guidance regarding the DPMS Pilot Program. DLAD 47.305-8, DPMS Pilot and DLAD 52.247-9011, DPMS Pilot are added to provide guidance with regard to contractors participating in the Pilot Program.

DPMS is a proposed method of realizing transportation cost savings and increasing in transit visibility (ITV) by organically managing supplier shipments. The organic management of contractor shipments is intended to allow the Agency to lower transportation costs, and should provide significantly enhanced ITV with Government-managed and provided carriers under integrated information technology functionality. The DPMS Pilot Program is a limited implementation of this system to test the appropriateness and viability of enterprise-wide DPMS implementation.

This PROCLTR is effective immediately and expires upon incorporation of the attached guidance into the DLAD. The point of contact is LCDR Lorenzo Williams, J-3311, (703) 767-3154, DSN 427-3154 or email lorenzo.williams@dla.mil.

CLAUDIA S. KNOTT
Component Acquisition Executive

Attachment

47.305-8 DISTRIBUTION PLANNING AND MANAGEMENT SYSTEM (DPMS) Pilot (Mar 2006)

a. Definitions: The Distribution Planning and Management System (DPMS) is a proposed method of realizing transportation cost savings and increasing in transit visibility (ITV) by organically managing supplier shipments. The organic management of contractor shipments allows the Agency to internally manage the transportation arrangements so as to lower transportation costs, and provide enhanced ITV with Government managed and provided carriers under integrated information technology (IT) functionality.

b. Background: The DPMS Pilot Program is a limited implementation of this system to test the appropriateness and viability of enterprise-wide DPMS implementation. The Defense Logistics Agency (DLA) is conducting a pilot of DPMS. DPMS is an IT system that will enhance DLA's ability to plan and manage distribution. For shipments of materiel that DLA buys from Contractors, DPMS plans and manages the shipment and provides ITV of consignees, consolidation and containerization points, air and water ports, and various Government supply and transportation information systems. In addition, DPMS gives the Contractor the most current address for the shipping location identified in the contract. DPMS also automatically prepares Military Shipping Labels (MSL) and other shipping documentation which the Contractor can download and print. Further, DPMS satisfies any contractual requirement specified in Section B for the Contractor to contact the applicable transportation office prior to shipping, since DPMS makes this notification automatically.

c. Prescription: The DPMS Pilot Program Manager and the Supply Chain Contracting Officer shall jointly identify the supplier and contract candidates for the DPMS Pilot. To be eligible for consideration, the contract order must have FAR 52.247-32, F.O.B. Origin Freight Prepaid or FAR 52.247-65, F.O.B. Origin Freight Prepaid Small Package Shipments. The applicable Contracting Officer/Specialist shall refer to the additional guidance in the DLAD PGI at 47.305.8, and issue a bilateral modification to incorporate DLAD 52.247-9011, Distribution Planning and Management System (DPMS) Pilot in all candidate contracts/orders for which the contractor agrees to participate in the DPMS Pilot. New contracts/orders considered candidates for this Pilot shall meet the same criteria and include DLAD 52.247-9011 in the initial contract/order as shipping instructions.

52.247-9011 Distribution Planning and Management System (DPMS) Pilot (APR 2006).

As prescribed in 47.305-8, insert the following provision:

Distribution Planning and Management System (DPMS) Pilot (APR 2006)

   a. The Contractor shall:

      (1) Establish a DPMS profile.

         (i) Prior to initial DPMS usage, the Supplier shall establish a profile in DPMS. To create a profile, the Supplier contacts the Defense Distribution Center (DDC), (DDC Code: TOT (1-800-456-5507)) which will assign a unique User Name and Password to the Supplier.

         (ii) The Contractor shall provide all required information in the profile to include:

               A. Company name and address
               B. Hours of operation
               C. Points of contact with associated contact information (telephone numbers, facsimile numbers, and email addresses, and certification information to process hazardous materiel for air or surface shipment)

         (iii) The Contractor shall update the profile as necessary to insure that the information in it is accurate.

      (2) Ensure the following minimum information technology capability in order to access DPMS:

         (i)   Pentium personal computer or equivalent system sufficient to access the Internet.
         (ii) Hewlett Packard compatible laser printer with two megabytes of memory.
         (iii) Internet Explorer 5.5 or more recent version.
         (iv) Adobe Acrobat 5.0 or more recent version
         (v)   Minimum 56 Kbps internet connection

      (3) Use DPMS to plan and manage transportation under this contract:

         (i) When supplies under this contract/order are ready for shipment, the Contractor shall register each shipment in DPMS by selecting the appropriate order and entering accurate weight/cube information, and availability/preferred time of pick up. (Accurate information is essential to ensure proper routing.) If a transportation order does not appear in DPMS, follow the directions in the DPMS User's Guide (see par. A(ii)(4)) for manual entry instructions

         (ii) The Military Shipping Label (MSL) and carrier information/shipping instructions should be available in DPMS within 24 hours of initial shipment registry. The carrier chosen by the Government may not necessarily be the preferred carrier of the supplier.

(iii)The Contractor shall print out and affix the DPMS generated MSL, print out the appropriate shipping documents, and maintain the item and shipping documents until the Government-provided transporter picks up the item(s).

b. The Contractor shall not invoice for transportation costs since the Government is providing transportation pursuant to the DPMS Pilot Program.

c. Use DPMS to contact the applicable transportation office prior to shipping, this will satisfy transportation notification requirements specified in Section B.

d. Contact DDC (1-800-456-5507) if DPMS cannot be accessed, or if there are other transportation-related difficulties or questions.

e. The Contractor acknowledges that participation in the DPMS Program applies to this contract/order only and any costs of participation will be borne solely by the contractor and not charged to the Government, either directly or indirectly as a component of cost or product price.

END OF CLAUSE

PGI

For DPMS contract candidates for which the contractor agrees to participate, use a bilateral modification to delete FAR clause 52.247-32 F.O.B. Origin Freight Prepaid (Feb 2006) and/or 52.247-65, F.O.B. Origin Freight Prepaid Small Package Shipments (Jan 1991), as applicable, and insert FAR clause 52.247-29 F.O.B. Origin, (Feb 2006) and DLAD Clause 52.247-9011 Distribution Planning and Management System (DPMS) Pilot (Mar 2006).

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